(d) if so, the reasons of discrimination in opening of accounts in post offices in comparison to the Nationalised banks?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SANJAY PASWAN) : (a) Yes, Sir.

(b) No, Sir. As existing account holder does not require a witness.

(c) and (d) Do not arise in view of (a) & (b) above.

Target for I.T. Exports

2355. SHRI RAVULA CHANDRA SEKAR REDDY: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) the target set for I.T. exports during this year; and

(b) Government's role in the growth of domestic hardware brands to enable India to become a major power in that sector?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SANJAY PASWAN) : (a) The Tenth Five Year Plan has set up a target for I.T. Software Export of Rs. 54,000 crores during the Year 2002-2003.

(b) India Brand Equity Fund Trust under the Chairmanship of Commerce Secretary is assisting the individual brand promotions of established and reputed Indian brands in the overseas markets in the form of soft loans returnable in a period of 5 to 7 years along with obligation to pay nominal royalty on the increamental sales of the branded products in the thrust areas during the repayment period of the loan. The Trust also supports generic promotion of India as a reliable supplier of quality goods and services and supports International promotions to project India as a whole as well as specific production sectors.

Software Technology Parks

2356. SHRI R.S. GAVAI: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether a number of software technology parks of India units have either got their licences cancelled or closed down during the last two years;

(b) if so, the details thereof, area-wise;

(c) whether Government have developed a strategy to boost software export;

(d) if so, the details thereof; and

(e) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SANJAY PASWAN) : (a) Yes, Sir.

(b) The area-wise details of Software Technology Parks of India (STPI) units whose licences have been cancelled/lapsed during the years 2000-01 and 2001-2002 are indicated in Statement-I. (*See* below)

(c) and (d) Steps taken by the Government to promote software industry are detailed in Statement-II. (*See* below)

(e) Does not arise.

Statement-I

List of units whose licences have been cancelled/lapsed during the years 2000-01 and 2001-02.

Name of the Centre	No. of Units Cancelled	No. of Units Lapsed
Bangalore	72	0
Bhubaneswar	0	14
Chennai	26	0
Gandhinagar	3	14
Hyderabad	23	138
Jaipur	25	0
Kolkata	38	43
Mohali	16	0
Noida	115	0
Navi Mumbai	47	0
Pune	9	0
Trivandrum	1	0
TOTAL:	375	209

Statement-II

Steps taken by the Government to promote the Software Sector

1. Export Promotion Capital Goods scheme (EPCG) has been rationalized and extended uniformly to all sectors without any threshold limit on payment of 5% duty.

2. Approvals for all foreign direct investment proposals relating to the Information Technology sector, with the exception of Business to-consumer (B2C) e-commerce are under the automatic route.

3. Software Technology Park (STP) Scheme is implemented under the aegis of the Department of Information Technology, Ministry of Communications and Information Technology, through a single window mechanism of the Inter-Ministerial Standing Committee (IMSC).

4. DTA access upto 50% of the FOB value of export is permitted for software units under EOU/EPZ/STP schemes.

5. Accelerated depreciation norms applicable to computers and computer peripherals for units under Export Oriented schemes (EOU/ EPZ/EHTP/STP). These shall stand depreciated to overall limit of 90% over a period of 3 years.

6. The Depreciation on Computers is allowed @60%.

7. In the Budget 2002-03, customs duty has been reduced on stepper motors for computers/printers from 5% to 0%, floppy diskette and unrecorded magnetic tape from 15% to 10% and on link cartridges/ ribbon assembly/ ribbon gear assembly/ribbon gear carriage for use in printers for computers from 25% to 5%. Customs duty on Computers and Peripherals continues to be @ 15% and all storage devices, integrated circuits, microprocessors, data display tubes and deflection components of colour monitors continue at 0%. Customs duty on Information Technology Agreement (ITA-1) items of WTD (IT and Telecom products) continues @ 15%.

8. Information Technology Software is exempted from Customs and Excise Duty.

9. Second hand capital goods upto 10 years are freely importable.

10. EOU/EPZ/STP units are eligible for Income Tax benefit on export profits, upto 2010, in terms of Sections 10A and 10B of the Income Tax Act.

11. Exemption of withholding tax on interest on External Commercial Borrowings (ECBs) is available to the IT sector.

12. Definition of Computer Software, as in Section 80 HHE of the Income Tax Act covers transmission of data.

13. Benefit of Section 80 HHE is available to supporting software developers.

14. IT Enabled Services are eligible for Income Tax benefit under Sections 10A, 10B and 80 HHE of the Income Tax Act.

15. Threshold limit for obtaining "Export House" status reduced to Rs 5 crores from Rs. 15 crores for Small Scale Industry, tiny sector, cottage sector, units located in North East States/Sikkim/J&K; exporters exporting to countries in Latin America/CIS/Sub Sahara Africa and units having ISO 9000 (Series) status. The status holders are eligible for the following new/special facilities:

    * 100% retention of foreign exchange in Exchange Earners' Foreign Currency (EEFC) account;

    * Enhancement in normal repatriation period from 180 days to 360 days.

16. The donation of computers, imported duty free by EOU/EPZ/STP/ EHTP units to recognised non-commercial educational institutions, registered charitable hospitals, public libraries, public funded research and development establishments, etc., two years after their use by the said units is permitted.

17. The second-hand computers and computer peripherals donated by an outside donor to Government schools and recognised schools run on a non-commercial basis by any organisation are exempted from customs duties.

18. Income by way of dividends or long term capital gains of a Venture Capital Fund or Venture Capital company from investment made by way of equity shares in a Venture Capital Undertaking, which has

been expanded to include the Software and IT sectors, will henceforth not be included in computing the total income.

19. To give thrust to Venture Capital finance, SEBI has been made the single point nodal agency for registration and regulation of both domestic and overseas venture capital funds.

20. There will be no tax on distributed or undistributed income of Venture Capital Funds. The income distributed by the VCFs will only be taxed in the hands of the investors at the rates applicable to the nature of the income. VCFs will continue to be eligible for exemption even if the shares of the VC undertaking in which the VCFs have made the initial investment are subsequently listed in a recognised stock exchange in India.

21. Under policy on portfolio investment, Foreign Institutional Investors (FIIs) are permited to invest in a company upto an aggregate of 24% of equity shares, extendable upto 40% subject to approvals. This limit was raised from 40% to 49% in the Budget 2001-02.

22. Tax holiday under provisions of Section 80-IA (Infrastructure Status) has been extended to Internet Service Providers (ISPs) and Broadband Network providers.

23. Two-way fungibility has been permited for ADRs/GDRs. Local shares can be reconverted into ADRs/GDRs, subject to sectoral caps.

24. Indian Companies wishing to invest abroad may now invest upto US$ 100 Million on an annual basis through automatic route without being subject to the three year profitability condition, up from existing limit of US$ 50 million (Budget announcement 2002-03).

25. Indian Companies making overseas investment in joint ventures abroad by market purchases may now do so without prior approval upto 50% of their net worth, up from existing limit of 25% (Budget announcement 2002-03).

26. To induce more investment for R&D activities, a weighted deduction of 125% on the sums paid to any university, college or an institution or a Scientific research association for the purposes of scientific, social or statistical research is available.

27. Information Technology Act 2000 dealing with Cyber Security, Cyber Crime and other information security related legal aspects is in place to encourage expansion of e-commerce through internet.

Bandwidth to S.T.P.I.

2357. SHRI R.S. GAVAI : Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether the Department of Information Technology has acceded to the demand of Software Technology Park of India to provide bandwidth to call centres;

(b) if so, the details thereof;

(c) if not, the reasons therefor; and

(d) the measures undertaken to provide bandwidth in remote areas of the country where V.S.N.L. is unable to access?

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (DR. SANJAY PASWAN) : (a) to (c) Software Technology Parks of India (STPI) has been providing bandwidth to Call Centres for data only however voice applications on International Private Leased Circuits (IPLC) by STPI is not covered under existent licensing conditions.

(d) STPI has set up infrastructure facility at 35 locations spread throughout the country providing more than 150 Mbps of bandwidth to software exporters.

Dues of Postal Department to Indian Airlines

2358. SHRI R.S. GAVAI: Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

(a) whether it is a fact that Posts and Telegraph Department owes crores of rupees to the Ministry of Civil Aviation for the cargo that the airline has carried since 1994;

(b) if so, the details thereof;

(c) the reasons for withholding the payment; and